FY08 SMART Planning
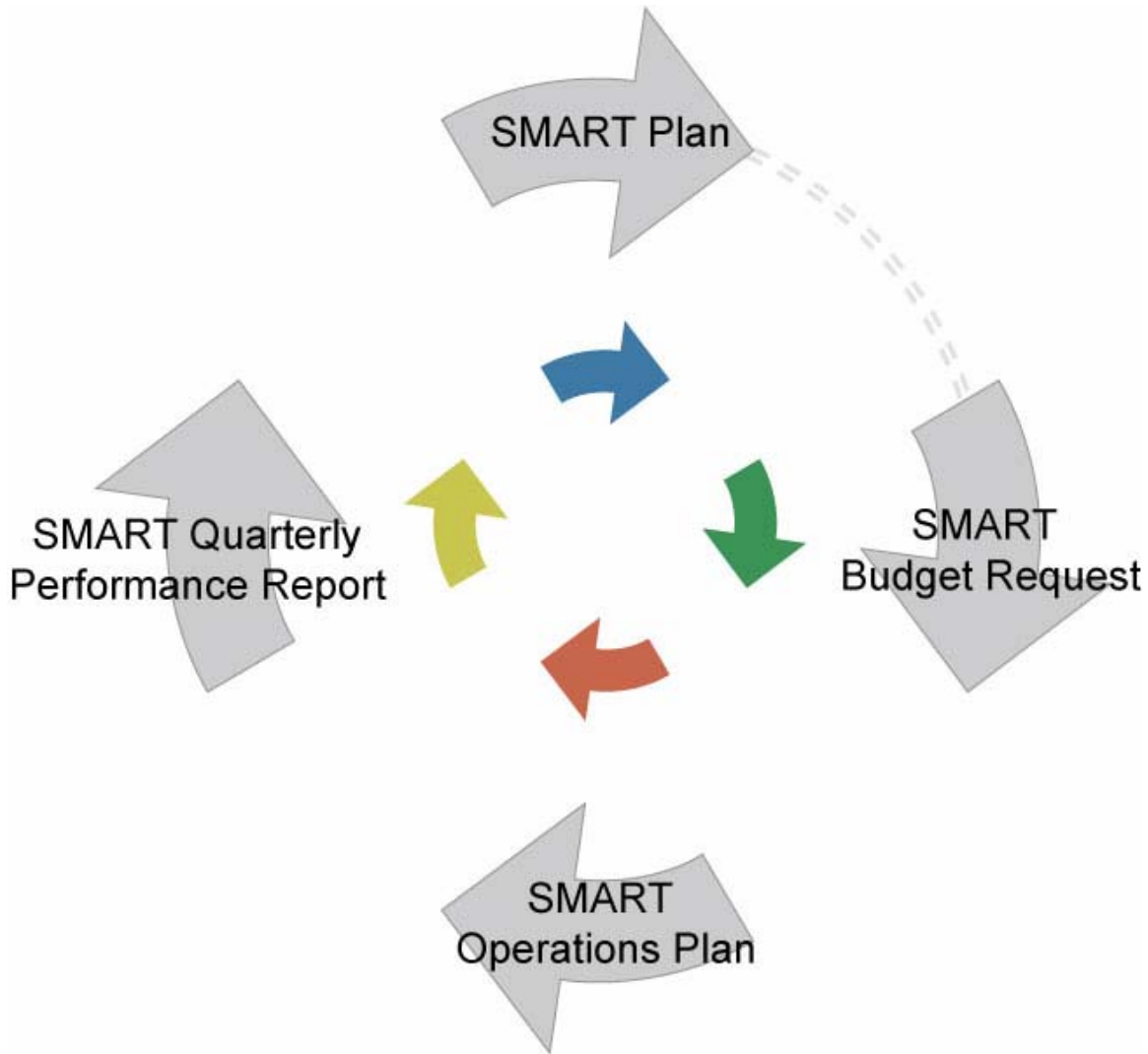

Planning with Purpose

Bob Riley
Governor

Table of Contents

SMART Manual Changes & Highlights

I. The four basic questions of SMART Planning have been rearranged and expanded in to **"The five basic questions of SMART Planning".** While most of the information has remained the same, some minor refinements have been made to improve the process.

    1. WHERE ARE WE NOW?
- a. <u>Mission</u>
- b. <u>Values</u>
  - i. Not required for the Program/ Activity level
- c. <u>Internal/ External Assessment</u>
  - i. Expanded version of SWOT
  - ii. No documentation required for submission
- d. <u>Workload</u>
  - i. Separated from <u>cost factors</u>, which are no longer an individual component of the SMART Plan
  - ii. Cost Factors are considered, but not documented, when completing the Spending and Staffing Resources section

    2. WHERE DO WE WANT TO BE?
- a. <u>Vision</u>
  - i. Not required for the Program/ Activity level
- b. <u>Key Goals</u>
  - i. Name changed to "Key" Goals to stress only identifying top priority goals
  - ii. All goals must be measurable
  - iii. Any financial increase or decrease associated with the goal **for the planning year** will be listed under Fiscal Year Impact
  - iv. Each goal must have at least one strategy and objective
- c. <u>Critical Issues</u>
  - i. Optional
  - ii. Must relate back to a goal
  - iii. Each critical issue must be associated with at least one strategy

    3. HOW DO WE GET THERE?
- a. <u>Strategies</u>
  - i. Action plans are not required

    4. HOW DO WE MEASURE OUR PROGRESS?
- a. <u>Objectives</u>
  - i. No longer includes spending and staffing objectives
  - ii. Classified as efficiency or quality objectives
  - iii. Must be linked to a goal
- b. <u>Units of Measure</u>
  - i. Terminology changed from "performance indicator"
- c. <u>Targets</u>
  - i. This term has been added to represent the projected level of performance for a fiscal year. Formally labeled, "Estimated".

   **5. WHAT RESOURCES ARE NECESSARY?**
- a. <u>Spending and Staffing Resources</u>
  - i. Dedicated an entire section to Spending and Staffing
  - ii. Replaces Spending and Staffing Objectives in order to better link the planning and budgeting processes

The Governor's Strategic Priorities:
A Statewide Planning Overview

The primary purpose of SMART Governing is to improve performance thus providing executive level summary of each agency's strategic plan. This plan should communicate to the people of the state and its decision makers the priorities for our state government as well as an agency's key goals, which support those priorities, whenever applicable. By allocating our limited resources to achieve key goals and to measure our performance, the state is focusing on stewardship accountability.

THE MISSION OF STATE GOVERNMENT

Our mission is to fundamentally transform Alabama's government so that its central focus is to serve the people of Alabama ethically and efficiently in order that all sectors of our state, private and public, can achieve their potential.
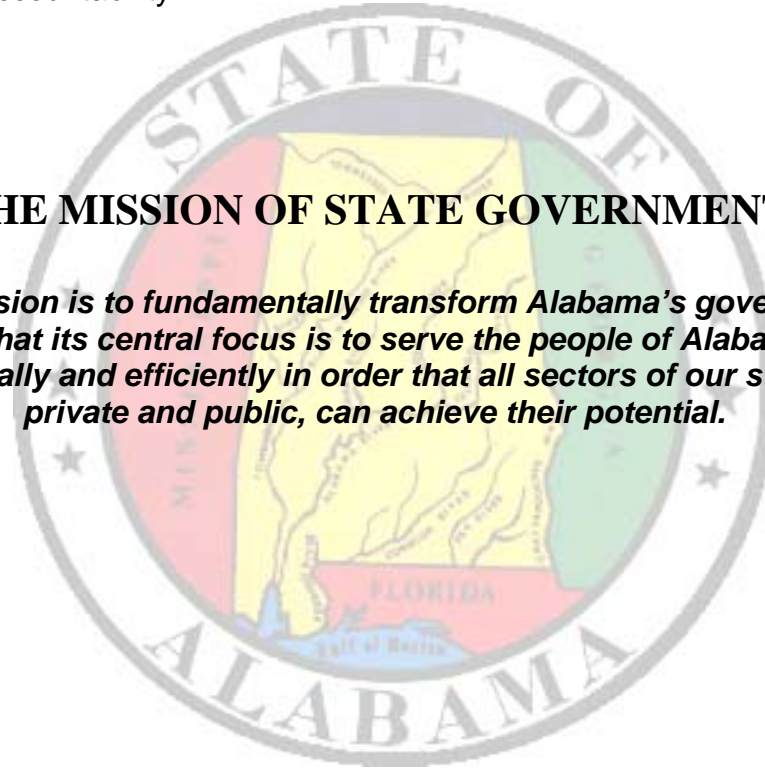
OUR PHILOSOPHY OF STATE GOVERNMENT

The job of state government and its employees is to serve the hardworking people of Alabama in a manner that is worthy of their investment and representative of their values. Accordingly, we will promote the following core principles:

- Our state and its future are more important than politics or individual recognition.

- Government should be limited in size and mission, but it must be highly effective in performing the tasks it undertakes.

- Decisions affecting individual Alabamians, in most instances, are best made by those individuals, their families, and the local government closest to their communities.

- Competition and personal responsibility are the greatest incentives for achievement and excellence. They inspire ingenuity and require individuals to set their sights high.

- Public administration must be open and honest, pursuing the high road rather than the expedient course. We must be accountable to taxpayers for our actions.

- State government has a responsibility to safeguard taxpayer dollars by eliminating waste and abuse, and providing efficient and honest government.

- Finally, state government should be humble, recognizing that all its power and authority are granted to it by the people of Alabama, and those who make decisions, wielding the power of the state, should exercise their authority cautiously and fairly.

OUR PRIORITES FOR STATE GOVERNMENT

Governor Riley is committed to reforming state government, improving the quality of education for all of Alabama's children, and working to expand the economy and create jobs.

In an effort to assist state government in reaching these goals, the Governor has identified the following priorities of government with associated expectations. **The purpose of this document is to provide state agencies with a list of the Governor's top priorities to be used as an overarching framework for the development of agency plans. This is not an exhaustive list of the Governor's goals and objectives.**

PRIORITIES

- **REFORM STATE GOVERNMENT**

- **IMPROVE THE QUALITY OF EDUCATION FOR ALL OF ALABAMA'S STUDENTS**

- **EXPAND THE ECONOMY AND CREATE JOBS**

- **IMPROVE HEALTH AND HUMAN SERVICES FOR ALABAMA'S VULNERABLE CHILDREN AND ADULTS**

- **IMPROVE THE SAFETY OF PEOPLE AND PROPERTY**

- **CONSERVE AND PROTECT OUR NATURAL RESOURCES**

Priority 1. Reform State Government

"To be recognized by citizens as the most efficient, accountable, responsive, and trusted state government in the country."

- Establish and maintain the highest standards of ethical behavior.
- Create and implement a strategic management system that links agency plans to budgeting and performance measures.
- Increase the transparency of state government to foster greater accountability.
- Improve the delivery of services to the people of Alabama while reducing costs.
- Successfully conclude pending major class-action lawsuits against various state agencies.

Priority 2. Improve the quality of education for all of Alabama's students.

"Provide the highest quality educational system possible so that all Alabamians are prepared to compete with the best students anywhere."

- Improve student achievement in the public schools of Alabama.
- Increase the number of schools with the Alabama Reading Initiative and the Alabama Math, Science, and Technology Initiative.
- Reduce the number of schools/school systems that fall below state benchmarks for academics, discipline, and financial management based on the State Board of Education's accountability system.
- Strengthen teacher and administrator effectiveness and leadership.
- Improve the coordination of higher education decision making in Alabama.
- Establish an integrated, efficient distance-learning program to offer advanced course opportunities to all Alabama high school students.

Priority 3. Expand the economy and create jobs.

"Create a favorable business climate that results in a prosperous and growing economy, providing greater opportunities for all Alabamians."

- Increase the number of new jobs announced by new and existing companies.
- Expand the state's economic development initiatives through the use of the Capital Improvement Trust Fund (CITF).
- Improve the education levels and skills that Alabamians offer to employers through a focused workforce development program.
- Increase the number of new jobs announced in the state, including distressed rural counties.
- Increase participation in adult education and high-priority career/technical programs in the state, including distressed rural counties.
- Improve physical infrastructure to support and sustain economic development, and increase the percentage of total Alabama Department of Transportation dollars spent on building and maintaining infrastructure versus administration.
- Promote and enhance a strong farm economy.
- Protect and expand the state's military installations.

Priority 4. Improve health and human services for Alabama's vulnerable children and adults.

"Provide health and human services through an efficient, effective and user-friendly system that promotes the health, responsibility and self-sufficiency of individuals and families."

- Increase the number of counties with integrated health and human services delivery systems, which include both public and private service providers.
- Control growth in spending in the state Medicaid program while maintaining quality healthcare services.

Priority 5. Improve the safety of people and property in Alabama.

"Protect Alabamians by enforcing laws quickly and fairly; maintaining disaster preparedness and response plans; policing public highways; and confining, supervising and rehabilitating offenders in a cost-effective manner."

- Reduce recidivism rates through an increased investment in community corrections and other alternative rehabilitation programs.
- Reduce the number of highway traffic fatalities.
- Reduce the amount of time it takes to process forensic data.

Priority 6. Conserve and protect Alabama's natural resources.

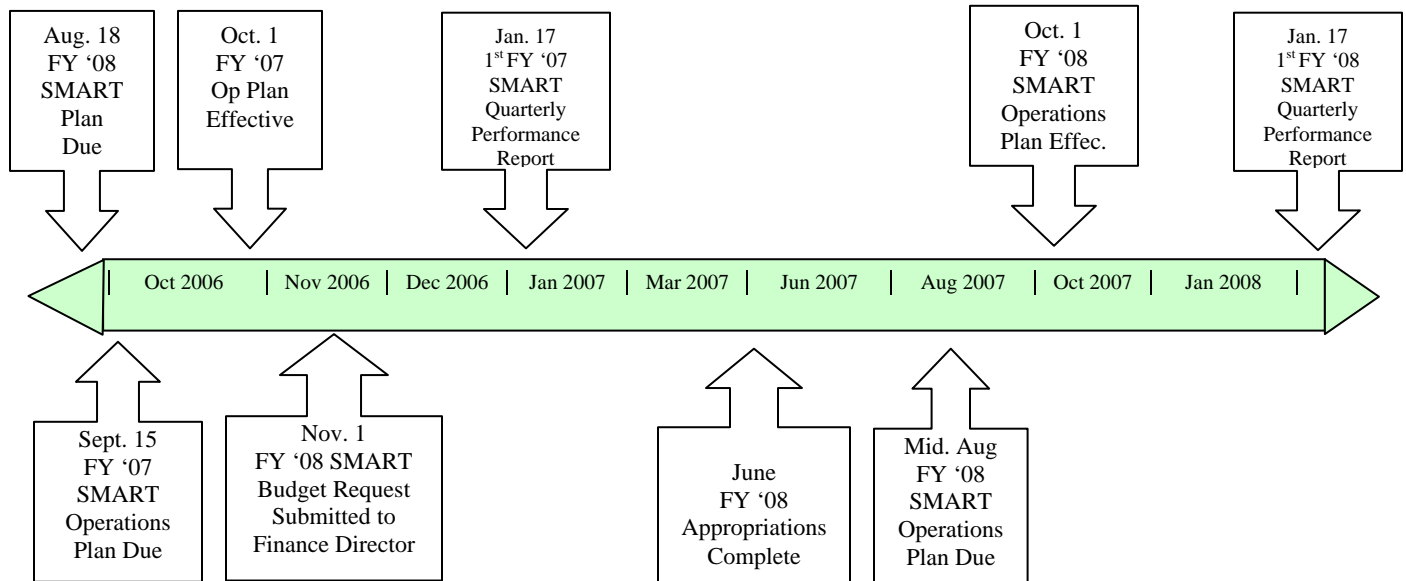*"Conserve, protect and enhance Alabama's natural resources in a manner that encourages sustainable economic development and promotes the responsible stewardship of those resources."*

- Protect and improve the vitality of Alabama's wildlife population.
- Protect and improve Alabama's air and water resources.
- Protect public health and the environment by cleaning polluted sites in a cost-effective manner.

SMART Timeline

SMART Due Dates and Timeline for FY '07 & FY '08

- **June 2006** – FY07 Appropriations projected to be complete
- **August 18, 2006** - <u>FY08 SMART Plan</u> due
- **September 15, 2006**- <u>FY07 SMART Operations Plan</u> and Initial Form 10 (FY07 Quarterly Projections) due
- **October 1, 2006** - <u>FY07 SMART Operations Plan</u> becomes effective
- **November 1, 2006** - <u>FY 08 Budget Request due</u>
- **January 17, 2007** - First <u>FY07 SMART Quarterly Report</u> due
- **January 2007, April 2007, July 2007, and October 2007** - <u>FY07 SMART Quarterly Performance</u> reports will be submitted throughout the fiscal year
- **June 2007** – FY08 Appropriations projected to be complete
- **September 2007** - <u>FY08 SMART Operations Plan</u> due
- **October 1, 2007** - <u>FY08 SMART Operations Plan</u> effective
- **January 2008, April 2008, July 2008, and October 2008** - <u>FY08 SMART Quarterly Performance</u> reports will be submitted throughout the fiscal year

| Aug. 18 FY '08 SMART Plan Due | Oct. 1 FY '07 Op Plan Effective | Jan. 17 1st FY '07 SMART Quarterly Performance Report | | Oct. 1 FY '08 SMART Operations Plan Effec. | Jan. 17 1st FY '08 SMART Quarterly Performance Report |

Oct 2006 | Nov 2006 | Dec 2006 | Jan 2007 | Mar 2007 | Jun 2007 | Aug 2007 | Oct 2007 | Jan 2008 |

| Sept. 15 FY '07 SMART Operations Plan Due | Nov. 1 FY '08 SMART Budget Request Submitted to Finance Director | June FY '08 Appropriations Complete | Mid. Aug FY '08 SMART Operations Plan Due |

SMART Planning

SMART Planning begins with basic organizational decisions aimed at strategic planning. It should include input from all levels of the agency to be effective. Although planning begins at the top, leaders should seek input from those who know their customers and services best. The agency director decides who will manage and facilitate the process, and who will participate on the planning team.

Identifying Participants

The first step in the agency's SMART Planning Process is to identify and notify those who will be involved in developing the agency's SMART Plan. The people who should be included are listed below.

1. **The Agency Director and/or Board of Directors**
   The Chief Executive Officer/Director/Commissioner or Board of Directors ("Director"), etc. should provide overall direction and active support for the SMART Planning Process.

   The Director responsibilities include:
   (1)   Setting the desired direction for the agency;
   (2)   Appointing the Agency Planning Coordinator and the SMART Planning Team;
   (3)   Enabling the Agency Planning Coordinator to carry out his/her duties efficiently, and
   (4)   Chairing the SMART Planning Team to ensure the development of a sound plan.

2. **The Agency Planning Coordinator (APC)**
   The Director must either assume the role of the APC or appoint a person within the agency to manage the SMART Planning Process.

   The Agency Planning Coordinator's (APC) responsibilities include:
   (1)   Organizing the process;
   (2)   Scheduling meetings;
   (3)   Gathering and disseminating information;
   (4)   Moving the agency through the planning process, and
   (5)   Ensuring that all reports and required documents are submitted in a timely manner.

3. **The Agency Planning Team (APT)**

The Director should appoint an Agency Planning Team (APT) to develop the agency's SMART Plan or utilize existing management team(s) that routinely meet and handle operational issues. The APT should include senior executives who have broad knowledge of all the service and functional areas of the agency. It is particularly important that the APT include the management team and planning and financial managers.

The Agency Planning Team's (APT) responsibilities include:

(1)   Verifying and refining the agency's mission, values, and vision;
(2)   Calculating staffing and spending resources;
(3)   Documenting the key workload affecting the agency's budget;
(4)   Completing an internal/external assessment to assess the agency's current standing;
(5)   Formulating goals that produce results for the agency;
(6)   Identifying critical issues, both internal and external, that inhibit or enable agency performance;
(7)   Building strategies to accomplish the agency's key goals, which will achieve the projected results;
(8)   Setting the objectives that will track progress as strategies are implemented, and
(9)   Infrastructure planning which means addressing the primary resources that will enable the agency to accomplish its mission, such as requirements for capital, office space, information technology, and human resources.

NOTE: A number of agencies already have executive management teams that routinely meet and handle operational issues. This group may serve as the nucleus of the APT.

The Five Basic Questions of SMART Planning

The purpose of an agency's SMART Plan is to develop strategies for each year that will lead to fulfilling the mission and accomplishing the key goals of an agency. A SMART Planning process addresses the following five questions.

1. **Where are we now?**
- The legal *mission(s)* of the agency;
- The *values* that govern its actions;
- An *internal/external assessment,* which is to assess the agency's current standing, and
- The *workload* that the agency's operations face.

2. **Where do we want to be?**
- Its *vision* for carrying out the mission(s) assigned;
- The *key goals* that describe what it ultimately expects to accomplish and that will produce results, and
- The *critical issues* that it must address in order to accomplish key goals.

3. **How do we get there?**
- The FY *strategies* that will best enable it to succeed, and move toward accomplishing key goals.

4. **How do we measure our progress?**
- FY *objectives* that will mark interim steps for achieving key goals.

5. **What resources are necessary?**
- The *spending and staffing resources* needed to implement the plan.

SMART Plan Development

To begin the planning process, an agency[1] must first select the correct format for developing its SMART Plan. There are two formats:

- **Multi-level Format**— Agencies that select the multi-level will submit plans at either the program or activity level along with an agency level summary.
    - An agency with more than one budgetary program must select multi-level.
    - An agency with only one program and multiple activities may select multi-level or basic.
    - Multi-Level Agencies will create an overall agency plan, along with additional plans for every budgetary program or activity. The overall agency plan should highlight the most important elements from the program or activity level plans.

- **Basic Format**— Agencies that select basic will submit only one SMART Plan for the entire agency.
    - An agency with only one program and only one activity below the program level must select basic.
    - An agency with only one program and multiple activities may select multi-level or basic.

The chart on the following page depicts how the SMART Plan components will be completed at different planning levels depending upon which format an agency selects. *As you will see, if you are planning on the multi-level format, some planning components are not required for the program or activity level plans because they are included in the agency level, and vice versa.*

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[1] Throughout this document "agency" will be used to refer to agencies, institutions, regulatory boards, and any other organization that might submit a SMART Plan.

SMART Plan

Basic and Multi-Level Requirements

PLAN COMPONENTS	Basic Format	Multi-Level Format: Includes agency level summary and a plan for each program or activity.	
		Agency Level	Program or Activity
Mission	X	X	X
Values	X	X	
Internal/External Assessment	X	X	
Workload Measures	X		X
Vision	X	X	
Key Goals	X	X	X
Critical Issues ∗ **Optional**	∗	∗	∗
FY Strategies	X		X
FY Objectives	X		X
Spending and Staffing Resources	X	X	X

The Five Basic Questions for SMART Planning

Question 1: Where are we now?

Mission, Values, Internal/External Assessment, Workload

1.a. MISSION

The **mission** is a brief summary of what the agency does and its unique purpose for existence as defined in its legal definition. The mission is all encompassing and rarely changes. However, a proposal for legislative changes may be necessary for some agencies. We begin with the mission because it simply identifies why the agency exists, what it does, and whom it serves.

> **Mission Criteria:**
> - Identifies purpose but not process
> - Describes the reason for existence of the agency
> - Identifies customers of the agency
> - Brief enough to understand the agency's work
> - All staff in the agency can see how they contribute
> - Clear and succinct
> - Required at all planning levels

1.b. VALUES

Values describe the way in which the agency does business. They summarize the operating principles that will be utilized in fulfillment of vision and mission. They are seen as a part of the agency's organizational identity. Values are the principles that govern behavior and the way in which the agency and its members conduct business. This includes what is appropriate, right, ethical, or desirable for the agency. They can be powerful instruments for shaping an agency's culture and motivating employees.

> **Values Criteria:**
> - Creates a foundation that ties together the mission and vision
> - Expresses the way people are treated inside and outside of the agency
> - Demonstrates the way the agency is managed, decisions are made and products or services are produced
> - Gives expectations concerning the quality of the agency's products and services

1. c. INTERNAL/EXTERNAL ASSESSMENT

Before an agency attempts to chart its future course, it must first determine its current standing or position. It must gauge conditions both inside and outside of its agency.

An **internal/external assessment** is a candid analysis and evaluation of internal and external data and factors that provide a clear sense of the agency's standing and what impact it will have on the agency and its mission. The process of conducting this assessment is known as a "SWOT" analysis because it involves a review of an organization's internal strengths and weaknesses, as well as its external opportunities and threats. However, the internal/external assessment is more than a "SWOT" analysis.

Ideally, assessment is a team exercise. When completed, it should show an accurate picture of the agency. Typically, both the Agency Planning Team (APT) and other employees are involved in collecting and analyzing the data to enhance their understanding of the agency. Input should also be sought from other customers, stakeholders, board members and other individuals that have an interest in the agency. The keys to a successful assessment are thorough preparation and communication. *It is important that smaller agencies with few employees use their advisory boards and/or board members to participate in this team exercise to complete the assessment.* They will bring valuable information to this part of the planning process.

To work through the assessment, review components/phases from the SMART Cycle, which include the Plan, Budget Request, Operations Plan and Quarterly Performance Reports from previous years. The Agency Planning Team should review these documents thoroughly and decide what has worked well and what has not. Were goals met in past years? If not, what happened in the process? Other documents useful in obtaining information to answer the questions for the assessment are annual reports, program evaluations, financial and performance audits, employee and customer surveys.

Answering the following questions can complete the internal/external assessment:
  i. Who are the agency's customers and stakeholders? What are their needs and expectations?
  ii. What is the agency's past performance record?
  iii. Where is the agency now?
  iv. What opportunities for positive change exist?
  v. What are the agency's strengths and weaknesses?
  vi. What are the agency's external threats and opportunities? What are the most likely scenarios for the future?

The internal/external process lays the groundwork for agencies to build and implement improvement plans designed to close performance gaps and achieve results that are important to the agency and the citizens of Alabama. The first step of the assessment is identifying customers and stakeholders. The identification of customers and stakeholders opens the door to customer-driven quality.

Customers are the primary intended recipients or beneficiaries of an agency's services, the group(s) of individuals whom the agency exists to serve. The products and services an agency provides directly impact them. They may be either internal or external to the agency. They are often referred to by different names (e.g. client, citizen, patient) depending on the type of service.

Stakeholders include individuals and organizations that have direct involvement, an investment or interest (that is, a stake) in the success or actions taken by an agency. Stakeholders do not necessarily use the products or services of an agency. They include clients, volunteers, managers, employees, partners, suppliers, board members, legislators, and the community.

The best way to find out what customers think is to <u>ask them.</u> A number of techniques can be used to get customer input. These include: customer surveys, focus groups, comment forms, interviews, personal visits, customer advisory committees and public meetings and hearings.

It is important that <u>all agencies</u> include their board of directors, advisory boards, etc. in the SMART Planning Process regardless of their role or function in the agency. Their guidance, recommendations, and input are vital for successful planning. *It is particularly important for smaller agencies with few employees to use their boards and/or board members to complete the assessment.*

The information gathered in this section will serve as formal internal records and should be maintained by the Agency Planning Team. It will help define values, formulate goals, build strategies and set objectives. Records may include surveys, data collected, and comments from customers and stakeholders*. This information will not be submitted in the SMART Plan.* However, it will help facilitate and enhance the remainder of the SMART Planning process and serve as a reference for next year's planning.

Internal/External Assessment Criteria:
- Thorough review of previous year's SMART Plan
- Complete process as a team effort
- Determines current standing and performance
- Identify customers and stakeholders
- Customer and stakeholder data collected, analyzed and considered
- Identify strengths, weaknesses, opportunities and threats
- Maintain records for future reference
- Is not submitted in the SMART Plan

Refer to Appendix B for Internal/External Assessment Worksheet

1.d. WORKLOAD

The term "workload" refers to a measure of operating activity. Workloads are tracked to approximate the need for operating resources. When a workload measure rises, the need for resources may rise in a similar way; when a workload measure falls, the need for resources may fall in the similar way.

For many agency operations, counting the number of clients served or the number of events that occur can define workload. Clients may be people, but they also may be institutions such as hospitals or schools. Events may include decisions or processes. Every effort should be made to minimize the number of workload measures used in SMART Plans to one or two. If necessary, multiple workload measures can be combined to form a composite index provided that the method for measurement is consistent from year to year.

Only current and historical workload information is required for the SMART Plan (EBO Form 4). FY '08 projections will be added when the Budget Request (EBO Form 4A) is submitted.

Workload Criteria:
- Approximately measures operating activity
- Related to the need for operating resources
- Limited to one or two measures, if possible (maximum of four)
- Not required for agency level summary

Question 2: Where do we want to be?
Vision, Key Goals, Critical Issues

Vision, Key Goals and Critical Issues make up the "Where do we want to be?" part of the SMART Planning Process. Vision symbolizes an agency's future. Goals establish the direction in which an agency is heading. Identifying critical issues and developing strategies to address them will help an agency to succeed and move forward.

2.a. VISION

The **vision** is a brief compelling description of a desired future to best meet the needs of the customers and stakeholders. It focuses on an idea about a state of being in such a way to excite and motivate an agency. It is inspiration for all other components of the SMART Planning process. It represents a global, continual purpose for the organization. The mission provides direction, and the vision adds inspiration.

Vision Criteria:
- Brief enough to be memorable (not more than one sentence)
- Gives an inspiring and challenging picture of the agency's ideal future
- Clearly related to the agency's mission
- Captures the attention and commitment of people both inside and outside of the agency
- Not required for program/ activity level plans

2.b. KEY GOALS

Key goals are multi-year targets designed to improve the efficiency and/or quality of an agency's performance. The targets must be measurable and should be supported by benchmarking. Key goals should have an established time frame for completion of 3-5 years or more and should support the agency's mission. Each goal must have at least one strategy and objective associated with it. For each program, activity or basic agency, at least one goal must be linked to an efficiency objective.

Because key goals are multi-year efforts, the first step in formulating goals should be reviewing the goals from previous years. This will help determine if the agency is headed in the right direction or if adjustments are necessary. The criteria for goals have changed slightly this year, which may require your planning team to revise goals from previous years. After FY '08, goals should be stable until they have been reached, refined or removed.

Key goals establish a direction in order to reach a particular destination. They should have a definite and measurable end point. For example, a goal without an end point might be "To improve student achievement," but a goal with a specific, measurable end point would be "To improve 4th grade reading scores by 5% by the year 2010."

Key Goals – Agency Level

The planning team will set agency level goals and program/activity level goals, if applicable. Generally, the requirements for key goals at the agency and program/activity level are very similar. However, there are some important new distinctions to note about the agency level.

For multi-level agencies, Key Goals for the agency level summary will come directly from the program/activity level. You may select individual goals from the program/activity level, or create a new goal by combining program/activity level goals.

Key Goal Criteria– Agency Level (including agencies that select the basic format)	**Key Goals Criteria – Programs/Activity**
• Supports the agency's mission • Measurable, with specific end points (utilize benchmarking when possible) • Challenging, realistic and achievable • Establishes a timeframe for completion (3-5 years or more) • Listed in priority order • Maximum 6 key goals for large agency (more than 6 planning units); maximum 4 Goals for other agencies • *Tracked for multiple years* on performance reports (4th quarter) until goal is reached, refined or removed	• Supports mission of the program or activity as well as agency key goals • Measurable with specific end points (utilize benchmarking when possible) • Challenging, realistic and achievable • Establishes a timeframe for completion (3-5 years or more) • Listed in priority order • Maximum 3 per program or activity

How will accomplishing this goal impact the State?

RESULTS

The attainment of an agency level key goal should have some impact on the state of Alabama; we call this the "result." For some goals this impact will be self-evident, but for others it will be more difficult to relate the goal to an outcome that will benefit or affect the public. For each agency level key goal, you will have the option to explain the "results" of accomplishing your goal in a short, narrative statement.

Formulating Key Goals

To formulate key goals it is also important to thoroughly review, discuss and refine information and data from the internal/external assessment.

To find goals that stretch the agency, the team should seek out the best-in-class performers, both within and outside the agency, in order to identify opportunities for improvement. This is called **benchmarking** and can be used throughout the

planning process. Benchmarking should also involve identifying national or professional standards, or benchmarks, to measure the agency's performance. Where possible, an agency should identify benchmarks to measure itself against organizations performing similar services.

Governor's Priorities
Planning for your agency will inevitably relate back to planning for the entire State. The Governor has established priorities for statewide planning that not only relate to your work, but in many instances, his plans are dependent upon your agency's ability to accomplish its goals. In order to show this connection and improve statewide planning, you will select which of the Governor's priorities is supported by each of your agency's goal. Below is the list of priorities (for more information see pages 5-8).
➢ Reform state government.
➢ Improve the quality of education for all of Alabama's students.
➢ Expand the economy and create jobs.
➢ Improve health and human services for Alabama's vulnerable children and adults.
➢ Improve the safety of people and property.
➢ Conserve and protect our natural resources.

FY '08 Impact
For each goal (excluding agency level goals for multi-level), you will estimate "Fiscal Year Impact" or any *new* cost or savings associated with the goal for FY '08. Some goals will not require any funding and some goals will free up resources. This dollar amount should take into account any savings or cost associated with implementing strategies including any costs or savings from your Capital Plans. FY Impacts will be broken down by the source of funds within the following categories: General Fund (GF), Education Trust Fund (ETF), federal funds, and other.

This data will be used to create a summary of requests associated with your plan for FY '08.

2. c. CRITICAL ISSUES

Critical issues are barriers or opportunities that affect an agency's ability to carry out its mission and goals. Critical issues are:

▪ Very significant because failure to resolve the problem or act on the opportunity will preclude accomplishing the mission and/or goals and
▪ Manageable within the agency (internal) or outside the agency within the state (external).
　　o A critical issue is defined as manageable if a strategy or solution can be developed to address the critical issue.

Critical issue statements describe circumstances that either hinder or assist an agency in meeting its mission or goals. They are not a description of the general actions to be taken in support of an agency's mission or goals. If critical issues are identified, each must be addressed with a strategy (see page 24).

Critical issues can be grouped or classified based on the solutions or strategy that could be implemented to resolve the critical issue. Two key questions will aid in classifying critical issues. They are as follows: *1.) What might be done and 2.) Who can do it?* The answer to the first question indicates a possible solution and classification of the critical issue. The answer to the second question reveals whether the issue is manageable by the agency (internal) or if it can be managed outside of the agency but within the state. Issues that require action by the federal government are generally not considered manageable because the state has limited influence over the federal government but there may be a desire to assist the federal government in making decisions that affect the state. In situations such as this, federal issues are manageable as *communication* or sometimes *coordination* issues. If an issue <u>cannot</u> be managed by an internal or external entity, it is **not** a critical issue.

Nine classifications of critical issues are defined below. The category "other" is being provided for those few issues that have solutions that do not fit in the classifications provided. Many critical issues could be categorized in more than one classification. In this instance, an issue should be classified according to the most basic solution to the issue. For example, funding issues may be both funding and legislation/legal; funding is generally the category even though legislation may be required to provide the funding. Critical issue classifications are listed below:

- **<u>Communication</u>:** These are generally internal issues that relate to building relationships, educating and communicating about the agency and its programs. Some examples of communications would include communicating within the agency, with members of the legislature, Congress, federal officials, members of boards, the general public and others.
- **<u>Coordination</u>:** This includes coordinating or collaborating with other public or private entities, including state and federal agencies regarding policies or procedures that impact the agency. This is different from communication because there is an expectation of action to address the critical issue both by the agency and by the external entity.
- **<u>Funding</u>:** An issue should be classified as funding when no other solution or strategy would be successful. Provision of requested or adequate funds is expected to resolve the issue. If funding is selected as a critical issue, further explanation will be expected by selecting from the following: Personnel, IT, Purchase of services, Non-IT equipment/supplies and Other.

- **Information Technology (IT):** Solutions for issues in this classification include IT hardware, software, infrastructure, etc.
- **Legislation/Legal:** Issues within this classification are related to needed state legislation or litigation in state or federal court. Resolution of these issues may include passage of legislation to address a problem, may provide an opportunity or may involve resolution of current litigation.
- **Management:** These are primarily internal issues related to the use of resources, or internal policy and procedures. The assumption is that resources are available that could be redirected or other actions could be taken to resolve an issue.
- **Personnel:** Issues within this classification relate to the management of staff, including the need for staff, recruitment, retention, training, compensation, assignment of staff, succession planning, or any other issue related to staff.
- **State Administrative Policy/Procedure:** The primary focus of this classification is policies and procedures that could be changed without legislation. These are rules developed by various state agencies that affect many agencies and that could be modified by an executive decision.
- **Other:** This classification should be used as a last resort when the solution does not fit within the other broad classifications.

Critical Issues Criteria:
- Always optional
- It will prevent accomplishing mission or goals
- Manageable within the agency (internal) or by an entity within the state (external)
- Clear, concise statements with enough information to understand how it effects a particular goal and what a potential resolution would be
- Both barriers *and opportunities* have been considered
- Maximum of 2 per key goal
- Must be associated with a strategy

Question 3: How do we get there?
Strategies

Strategies describe *what* an agency will do during the fiscal year to move toward accomplishing a key goal and/or addressing a critical issue. A strategy could entail any number of projects such as developing a new service, restructuring a process or coordinating efforts to change a statute.

Building Strategies

Strategy building requires identifying the best method to move towards a key goal. This determination should involve the following: studying best-in-class performers in order to identify best practices, communicating with the staff about the feasibility of plans, calculating the resources needed to accomplish each strategy, and comparing costs and benefits of different strategies.

Because critical issues may affect progress toward a goal, each critical issue, internal or external, should be addressed with a strategy. Although resolution of an external critical issue will require the action of an outside entity, the planning team should identify strategies that begin the process of changing any external critical issues.

Strategies Criteria:
- Describes what the agency will do in the FY to achieve a goal
- Considered resource requirements
- Maximum of 3 per key goal and 2 per critical issue
- Each Key Goal and Critical Issue must have at least one strategy (except for multi-level format, agency level summary)

NOTE: Action Plans will not be included in the SMART Plan.

Question 4: How do we measure our progress?
Objectives, Units of Measure, Targets

4.a. OBJECTIVES

Objectives are specific and measurable targets set for *one fiscal year* that mark interim steps toward achieving a key goal. Objectives are expressed in a brief statement describing the projected progress toward a goal. Each goal must have at least one objective.

Like key goals, objectives should describe a planned improvement in one of two general categories: (1) improvement in an agency's <u>efficiency</u> or (2) improvement in an agency's <u>quality</u> of work and services.

1. **Efficiency Objectives**: Describe an agency's ability to convert resources (staffing or spending) into results. *For every "planning unit" (e.g. program or activity) there must be one efficiency objective.* Efficiency objectives usually track either unit cost or staff productivity.
   - o <u>Unit cost</u> – the average amount of money required to complete one unit of workload. Unit cost can be measured directly by dividing total spending by a measure of workload.
   - o <u>Productivity</u> – the average amount of workload completed by the staff employed. This can be measured in terms of workload divided by staff.

2. **Quality Objectives**: Indicate an agency's success in meeting stakeholders' and customers' expectations. Generally, quality is measured in terms of *timeliness, accuracy, and completeness* of services. The following are a few examples of what improvements might be measured in a quality objective:
   - o Increase customer satisfaction
   - o Improve timeliness (*e.g., increase % of applications processed within a time standard)*
   - o Increase the effectiveness or completeness of services
   - o Achieve professional standards
   - o Utilize resources more fully *(e.g., increase institutional occupancy rate)*

Objectives Criteria:
- Relates directly to a goal
- Establishes realistic, but challenging targets
- Accomplishable in one FY
- Understandable to a non-expert
- Measures improvement in terms of either a quality or efficiency
- Each goal must have at least 1 objective (maximum of 4 per key goal)
- Each planning unit must have at least one efficiency objective

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4.b. UNIT OF MEASURE

The Unit of Measure explains *what* will be used to measure an objective. This might be stated or alluded to in the objective, but, even if you repeat the information, you must define the metric that will be used for tracking this objective. For example, if an agency sets an objective to improve their customer satisfaction by 5% based on an annual customer survey, then the unit of measure would be "average customer satisfaction rating."

4.c. TARGETS

Targets are the projected level of performance for an objective stated numerically. While an objective states the desired improvement in words, the target should reflect the projected performance with numbers. For example, the objective mentioned above is to "Improve the customer satisfaction rating by 5 percentage points"; if last year's customer satisfaction rating was 85%, then the target will be 90%.

For the FY '08 planning year, the target will be listed in a separate column labeled "2008 Target".

> *Baselines:*
> A target will be compared with data from previous years. For new objectives, performance data for the current year might not be available. If this is the case, you should indicate that data is not available (N/A) for the current year, FY '06. As soon as possible, a tracking system should be established in order to accurately project FY '07 and the FY '08 target. These projections should be refined in the Budget Request and Operations Plan to accurately project performance.

Question 5: What resources are necessary?
Spending and Staffing Resources

5.a. SPENDING AND STAFFING RESOURCES

A plan must be formulated considering the resources that have been historically available along with a reasonable expectation for what may be available in the future. Spending and staffing resources bridge the gap between the resources required to continue current operations/services and any resources that may be needed to implement the agency's strategic plan.

The majority of this component will be submitted for the SMART Plan, and the rest of the data will be completed for the SMART Budget Request. Any data from the plan may be revised when the Budget Request is submitted.

The agency level spending and staffing section is an executive summary of how your plan aligns with your budget request. This summary will demonstrate three major factors: (1) the cost of continuing at the current service level, (2) the cost or savings associated with implementing your plan for one fiscal year (FY '08), and (3) any miscellaneous costs or savings that do not fit into your plan. The sum of these factors will equal your total FY' 08 Budget Request.

The following chart shows how these three elements will be integrated into a budget request. *Please note that items in grey are not required for the SMART Plan; they will be completed when the SMART Budget Request is submitted.* Definitions and examples of each element are outlined below the chart.

Spending and Staffing Resources Summary (Agency Level only)

FY '08 REQUEST:					
	GF	ETF	Federal	Other	Total
Total FY '07 Appropriation	50,000	987,467		2,000	1,039,467
Mandated/Uncontrollable Increases	50,000				50,000
Non-Continued Costs (Savings)	-10,000				-10,000
TOTAL COST OF CONTINUING LEVEL SERVICES	90,000	987,467	0	2,000	1,079,467
Plan Requests in priority order					
Goal 1 (program c, goal 1)	25,000				25,000
Goal 2 (Program c, Goal 2)		45,000	100,000		145,000
Goal 3 (Program a, Goal 1)	-6,000				-6,000
Miscellaneous/ Additional Requests (not associated with plan)					*0*
FY '08 TOTAL Request	**$109,000**	**$1,032,467**	**$100,000**	**$2,000**	**$1,243,467**

(1) Cost of continuing level services → (points to rows above)

(2) Prioritized, Plan Request → (points to Plan Requests rows)

(3) Miscellaneous /Additional Requests → (points to Miscellaneous row)

Total FY '08 Budget Request → (points to $1,243,467)

Resource History	FY '06 Actual	FY '07 Budgeted	FY '08 Requested
Total Staffing (FTE)	68.00	76.00	80.00
Total Appropriation	900,010	1,039,467	1,243,467

Resource History → (points to Resource History table)

NOTE: Items in grey are not required for the SMART Plan in July; they will be completed when the SMART Budget Request is submitted.

(1) **COST OF CONTINUING LEVEL SERVICES** (three components):
   a. **Total FY '07 Appropriation:** For the plan, use your most current estimate of your FY '07 Appropriation. For the Budget Request, use data from the FY '07 Operations Plan**.**

b. ***Mandated/Uncontrollable Cost (SMART Budget Request only)**: Total net cost increase over which the agency has no control. These may include cost increases in one or more of the following:

> *Retirement, health insurance, FICA, longevity and termination costs, rent, new legislative mandates, changes in match rates for federal funds, Personnel Department, Information Services Division costs and Telecommunication costs, Risk Management, Merit raises, or debt service.*

c. ***Non-Continued Costs (SMART Budget Request only):** Total cost of any expenditure items from the previous year that will not continue into the budgeted year; these items should be decreases. For example, if an agency budgeted to replace a copier in FY 07, this one-time expense would not be repeated in the FY 08 budget.

This should also include any anticipated decreases in funding designated for specific projects such as a reduction in federal funding intended for hurricane relief. If funds decrease significantly from one source and you plan to seek funding from a different funding source, list a negative dollar amount for the fund that is decreasing and a positive dollar amount for the source from which you will request additional funds. Non-continued costs might include one or more of the following:

> *Large equipment purchases, one-time grants or decreases in grant amount, large termination payments, extensive repairs to building or equipment, furniture, start-up costs for a new program or purchasing a new vehicle.*

(2) PRIORITIZED PLAN REQUEST:

Fiscal Year Impact of Key Goals: Not all goals will require funding, some goals could create savings, and some goals will only require funding for one year. During the planning process, you determined which goals will result in a cost or savings and calculated the Fiscal Year Impact for each of these goals. The Prioritized Plan Request section will list the FY Impacts of each goal in priority order.

Ranking Goals (Multi-Level Agencies only): After the plans have been completed for the entire agency, you will rank your agency's top goals from the program activity level in priority order based on their funding priority. The reported version of this summary will list only the top 10 goals and their FY Impact. The total Fiscal Year Impact of any goals over 10 will be listed in a separate row labeled "Additional Plan Requests."

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* Not required for SMART Plan (EBO Form 4a)
* Not required for SMART Plan (EBO Form 4a)

(3) **MISCELLANEOUS/ ADDITIONAL REQUESTS OR CHANGES (SMART Budget Request only):**

Costs, savings, or changes in funding that do not fit directly into the SMART Plan or any category listed.

Resource History will be included for all planning levels. For each program, activity and agency, you will list the most current appropriation and FTE data for FY '06 and FY '07. For the SMART Budget Request you may revise FY '06 and '07 data as needed and add the FY '08 request.

NOTE: FTE's are calculated as total time employed divided by the total available work time. One employee utilized for the entire year represents one-man year of service (i.e. 1/1=1.00 FTE). Two clerical aides employed for six months are equal to one man-year of service (i.e. 6 months/ 12 months = 0.50 x 2 clerical aides = 1.00 FTE). One clerical aide employed for four months is equal to a quarter man-year of service (0.25 FTE).

GLOSSARY

Action Plan –
A list of detailed steps necessary to implement each strategy finalized in the operations plan. Each step will include: description, person(s) & position responsible and expected completion date.

Activity –
The budgeting unit that falls directly below the Program Level. Agencies with multiple programs may choose to plan at the activity or program level.

Agency Planning Coordinator (APC) –
The person within the agency designated to facilitate the SMART Planning Process. He/she coordinates reports for submission, maintains and distributes the agency's SMART password and ensures that documents are completed in a timely manner.

Agency Planning Team –
The group within an agency charged with the development of the SMART Plan to include the agency director, management team, planners and financial staff.

Baseline –
The starting point from which an agency begins to measure its performance. This term is primarily used in reference to an objective or goal for which no previous data is available.

Benchmarking –
Rating an agency's services against the "best" in order to measure success and improve performance. Benchmarking entails looking for best-in-class performers inside or outside of the agency, determining why they are the best at what they do, and applying what is learned. Benchmarking can help an agency formulate goals (identify specific improvements that should be made), build strategies (find the best methods for improvement), and define their objectives (find the best measures being used to assess improvements).

Critical Issue –
A significant, manageable barrier or opportunity that affects an agency's ability to carry out its mission or goals.

Critical Issues Classification –
A categorization of critical issues based on potential strategies for resolution of an issue. The classifications include: communication, coordination, funding, information technology, legislation/legal, personnel, state administrative policy/procedures and other.

Customers –
The primary intended recipients or beneficiaries of an agency's services, the group(s) of individuals whom the agency exists to serve. The products and services an agency provides directly impact them. They may be either internal or external to the agency. They are often referred to by different names (e.g. client, citizen, patient) depending on the type of service.

External Critical Issues –
A significant barrier or opportunity that can be resolved with a strategy developed and implemented in or in coordination with a public or private agency, generally within the state.

Fiscal Impact –
Is the estimated new cost or savings associated with each goal for FY '08 (excluding agency level goals for multi-level agencies).

Full Time Equivalent (FTE) – *FTE's is calculated as total time employed divided by the total available work time. One employee utilized for the entire year represents one-man year of service (i.e. 1/1=1.00 FTE). Two clerical aides employed for six months are equal to one man-year of service (i.e. 6 months/12months = 0.50 x 2 clerical aides = 1.00 FTE). One clerical aide employed for four months is equal to a quarter man-year of service (0.25 FTE)*

Functional Categories (Functions) –
Clusters of state agencies that provide similar services. These categories were created to facilitate interagency coordination while improving statewide planning and service delivery. Functions of state government include: Economic Development and Transportation, Education and Culture, General Government, Health and Human Services, Licenses and Regulation, Natural Resources, and Protection of Persons and Property.

Internal Critical Issue –
A significant barrier or opportunity that can be resolved by a strategy developed and implemented by the agency.

Internal/external assessment—
A candid analysis and evaluation of internal and external data and factors that provides a clear sense of the agency's standing and what impact it will have on the agency and its mission.

<u>*Key Goals –*</u>
Multi-year targets designed to improve efficiency and/or quality of an agency's performance or operations. The targets must be measurable and should be supported by benchmarking if possible. Goals should be set while considering data from the internal/external assessment. Key goals should be achieved within three to five years or more.

<u>*Mandated/Uncontrollable Costs—*</u>
Total net cost increase over which the agency has no control. These may include cost increases in one or more of the following: Retirement, health insurance, FICA, longevity and termination costs, rent, new legislative mandates, changes in match rates for federal funds, Personnel Department, Information Services Division costs and Telecommunication costs, Risk Management or debt service.

<u>*Mission –*</u>
A brief summary of what an agency does and its unique purpose for existence as defined in its legal definition.

<u>*Non-Continued Costs (savings)—*</u>
Total of any expenditure items from the previous year that will not be continued into the budgeted year; these items should be decreases. For example, if an agency replaced a copier or a vehicle, this is a one-time expense that will not be repeated for the next year. This should also include any anticipated decreases in funding designated for specific projects such as a reduction in federal funding that was intended for hurricane relief. These non-continued costs might include one or more of the following: Large equipment purchases, one-time grants or decreases in grant amount, large termination payments, extensive repairs to building or equipment, furniture, start-up costs for a new program or purchasing a new vehicle.

<u>*Objectives –*</u>
Specific and measurable **targets** *set for fiscal years that mark interim steps towards achieving a key goal. They are expressed in a brief statement describing the projected progress toward the goal.*
> *Efficiency objective: An objective that describes an agency's ability to convert resources (staffing or spending) into results. Efficiency objectives usually track unit cost or staff productivity.*
> *Quality objective: An objective that indicates an agency's success in meeting stakeholder and customers expectations. Quality objectives primarily track the accuracy, timeliness, and completeness of services.*

<u>*Program* –</u>
The budgeting unit that falls directly below the Agency Level (also known as an "appropriation unit"). Agencies with more than one program may choose to plan at the activity or program level.

<u>*Result--*</u>
The impact or benefit of attaining an agency key goal is called the "result." For some goals this impact will be self-evident, but for others it will be more difficult to relate the goal to an outcome that will benefit or affect the public. This is optional for each agency level key goal. The "results" of accomplishing a goal can be explained in a short narrative statement.

SMART---Specific, Measurable, Accountable, Responsive, and Transparent.

***S**pecific Results*
***M**easurable key goals*
***A**ccountable to stakeholders*
***R**esponsive to customers (internal & external)*
***T**ransparent to Everyone*

<u>**SMART Budget Request** – (**EBO Form 4a**)</u>
A summary plan plus an annual funds request.

<u>**SMART Cycle** –</u>
Consists of plan, budget request, operations plan and quarterly progress reports.

<u>**SMART Operations Plan** – (**EBO Form 4b**)</u>
A revision of the SMART Budget Request to reflect the actual appropriation.

<u>**SMART Plan** – (**EBO Form 4**)</u>
An agency's summary strategic plan, which includes: mission (or purpose), key multi-year goals, vision for the future and a high level plan of how they will achieve the stated goals. It serves also as a foundation for subsequent SMART Budget Requests, Operation Plans & Quarterly Performance Reports.

<u>**SMART Quarterly Performance Report** – (**EBO Form 10**)</u>
A quarterly comparison of an agency's actual accomplishments to its planned performance. These reports will track an agency FY progress toward their multi-year goal.

Spending and Staffing Resources *–*
An executive summary of how your plan aligns with your budget request composed of three major factors: (1) the cost of continuing at the current service level, (2) the cost or savings associated with implementing the goals in your strategic plan for one fiscal year (FY '08), and (3) any miscellaneous costs or savings that do not fit into the plan.

Strategy *–*
Defines "what" an agency will do in the FY to move toward accomplishing the multi-year goal or to address a critical issue.

Target *–*
The projected performance for a fiscal year stated numerically.

Unit Cost *–*
The average amount of money required to complete one unit of workload. Unit cost can be measured directly by dividing total spending by a measure of workload.

Values *–*
The principles that govern behavior and the way in which an agency and its members conduct business. This includes what is appropriate, right, ethical, or desirable for the agency.

Vision *–*
A brief compelling description of desired future to best meet the needs of its stakeholders.

Workload *-*
Measures of operating activity that illustrate the work demands on an agency. Workloads include, # of clients, # of events, # of processes.

APPENDICES

Appendix A: Training Calendar

Appendix B: Internal/External Assessment Worksheet

Appendix C: Sample Customer Surveys

Appendix D: Listing of Functional Categories

Appendix E: SMART Office Contact List

Appendix A: Training Calendar

May 2006

Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16 **HHS 8:30- 11:30 am PPP 1:30- 4:30 pm**	17 **Make-up 8:30-11:30 am Nat. Res. 1:30 – 4:30 pm**	18 **Econ. 8:30–11:30 am GG 1:30 – 4:30 pm**	19	20
21	22 **L& R 8:30-11:30 am Make-up 1:30 – 4:30 pm**	23 **PPP 8:30- 11:30 am HHS 1:30-4:30 pm**	24 **ED/C 8:30 -11:30 am L& R 1:30 – 4:30 pm**	25	26	27
28	29	30	31			

HHS – Health and Human Services; **PPP** – Protection of Persons and Property; **ED/C**. – Education & Cultural
L&R – Licenses & Regulation; **Nat. Res**. – Natural Resources; **Econ**. – Economic Development; **GG** – General Government

Appendix B: Internal/External Assessment Worksheet

INTERNAL/EXTERNAL ASSESSMENT WORKSHEET

An **internal/external assessment** is a candid analysis and evaluation of internal and external data and factors to develop a clear sense of the agency's standing and what impact it will have on the agency and its mission. The process of conducting an assessment is often referred to as SWOT analysis because it involves a review of an organization's internal strengths and weaknesses, as well as its external opportunities and threats, which is often known as a "SWOT" analysis. However the internal/external assessment is more than a "SWOT" analysis.

Ideally, assessment is a team exercise and it should show an accurate picture of the agency.   It is typical that the SMART Planning Team as well as employees are involved in collecting and analyzing the data to enhance their understanding of the agency. Input should also be sought from other customers, stakeholders, board members and other individuals that have an interest in the agency.

It is important that all agencies include their board of directors, advisory boards, etc. in the SMART Planning Process regardless of their role or function for the agency. Their guidance, recommendations, and input are vital for successful planning to agencies in the state. Smaller agencies with few employees should especially use their boards and/or board members to participate in this team exercise to complete the assessment. They will bring valuable information to this part of the planning process.

> An internal/external assessment can easily turn into a "gripe" session. If this starts to happen, it can be turned around by asking those who are complaining to offer some realistic solutions to the problems they are identifying. Remind everyone that the purpose of this exercise is to find ways to build an agency's strengths as well as to identify ways to overcome weaknesses and problems.

Answering the following questions can complete the internal/external assessment:

    i.   Who are the agency's customers and stakeholders? What are their needs and expectations? _____

    ii.   What is the agency's past record? _____

    iii.   Where is the agency now? _____

    iv.   What opportunities for positive change exist? _____

    v.   What are the agency's strengths and weaknesses? _____

    vi.   What are the agency's external threats and opportunities? What are the most likely scenarios for the future? _____

i. Who are the agency's customers and stakeholders? What are their needs and expectations?

> **Customers** are the primary intended recipients or beneficiaries of an agency's services, the group(s) of individuals whom the agency exists to serve. The products and services an agency provides directly impact them. They may be either internal or external to the agency. They are often referred to by different names (e.g. client, citizen, patient) depending on the type of service.
>
> **Stakeholders** include individuals and organizations that have direct involvement, an investment or interest (that is, a stake) in the success or actions taken by an agency. Stakeholders do not necessarily use the products or services of an agency. They include clients, volunteers, managers, employees, partners, suppliers, board members, legislators, and the community.

To identify the customers, stakeholders and assess their needs and expectations, ask the following questions:

> *Who receives or benefits from the goods or services produced by the agency? _____*
> *Who are the customers? _____*
> *What do customers need from the agency? _____*
> *What else do they want? _____*
> *Who are the stakeholders? _____*
> *What are their interests in the agency? _____*
> *What results do they want from the agency? _____*

The best way to find out what customers think is to <u>ask them.</u> A number of techniques can be used to get customer input. These include: customer surveys, focus groups, comment forms, interviews, personal visits, customer advisory committees and public meetings and hearings.

ii. What is the agency's past record?

> *What is the agency's track record? _____*
> *What has the agency accomplished? _____*
> *How well have the needs of the customers been met? _____*
> *What changes have occurred that had a major impact on the agency? _____*
> *Has the agency grown?_____*
> *Have improvements been made? _____*
> *If so, what improvements?_____*
> *Has the agency remained the same or declined? _____*
> *Why? _____*

To determine the answer to the above question, review components/phases from the SMART Cycle, which includes the Plan, Budget Request, Operations Plan and Quarterly Performance Reports. Review these documents thoroughly and decide what has worked well and what has not. Were goals met in past years? If not, what happened in the process? Other documents useful in obtaining information to answer the question are annual reports, program evaluations, financial and performance audits, employee and customer surveys.

iii. Where is the agency now?

What are the agency's current programs and/or activities?_____
Does the existing agency structure make sense? _____
If not, what changes would benefit both the agency and its
customers? _____
What progress is being made on the program and/or activity
level? _____
What are the cost factors that the agency's operations will face?_____
How will the cost factors affect current planning? _____
What is being done well?_____
What is being done poorly? _____
Is the agency meeting its goals and performance standards?_____
What is the public perception of current programs and/or
activities?_____
What do customers and stakeholders think about the agency in
general?_____

A number of resources can be used to answer these questions. These include but are not limited to the following: input from board members, advisory councils, governing boards, interest or advocacy groups, management team, employees, customer surveys, and data from recent performance reports and components/phases of the SMART Cycle.

iv. What opportunities for positive change exist?

What remains to be accomplished? _____
How can the agency take advantage of opportunities? _____
Has the agency planned to accommodate change? _____
If so, how? _____

v. What are the agency's strengths and weaknesses?

What does the agency do well? _____
In what areas can it improve and how? _____

vi. What are the agency's external threats and opportunities?

What are the most critical elements of the external environment that affect the operations or the agency? _____
What barriers or constraints does it face? _____
How can the agency build on strengths and overcome its weaknesses? _____
What are the most likely scenarios for the future?_____

The information gathered in this above section will serve as formal records and should be maintained by the SMART Planning Team. It will help define values, goals, formulate objectives, build strategies and select units of measure. Records may include surveys, data collected, and comments from customers and stakeholders. Not only will this information help facilitate and enhance the remainder of the SMART Planning process, but also it will serve as documents to refer to in next year's planning.

The final results of information revealed during the assessment are also valuable for implementing quality management efforts, developing budget request, conducting agency evaluations, and preparing for performance audits and reviews.

Appendix C: Sample Customer Surveys

The customer surveys below are samples that may be used as a template for your agency. You will have to revise and enter information that is relevant to your agency. These examples may or may not apply to your agency.

SAMPLE

Sample 1

Service Survey

Manager/Coordinator: _____Program Title: _____

Date Program Started: _____ Date Program Completed: _____

Name of Recipient:

_____

> Directions: Please write response to the following
> questions or circle an appropriate response when provided.

1. What service did you receive?					
2. How well was the need met or satisfied? (Circle one) Completely Somewhat Not Met					
3. Were there others served in your family, workplace, etc.?					
4. What was the high point of the services?					
5. What was the low point of the services?					
Directions: Please circle the response that most accurately reflects your agreement with each of the following statements.	Strongly Agree		Agree		Strongly Disagree
6. The staff was appropriate for service rendered.	5	4	3	2	1
7. The staff was well-trained.	5	4	3	2	1
8. There was strong support from the staff agency.	5	4	3	2	1
9. There is strong support for the program within the community.	5	4	3	2	1
10. I would strongly recommend this service to others.	5	4	3	2	1
11. I would welcome this service again.	5	4	3	2	1
12. Overall, I believe the program is successful.	5	4	3	2	1
13. Overall, I believe the program is very effective.	5	4	3	2	1
14. Please list any ideas you have for the program.					
a. b. c.					
15. We would like to continually improve within agencies and communities we serve. We would appreciate your suggestions for improvement below.					

Sample 2

AGENCY/RECIPIENT SURVEY

Agency/Recipient _____

Person completing survey _____

Position/Title _____

1. How many clients, students, or patrons, do you serve each year?

   a. Direct Service _____   b. Indirect Service _____

2. How does our service impact your agency? _____
   _____
   _____
   _____

3. Please provide 1 or 2 measurable ways that our services enhance your
   agency's ability to serve more clients. For example; "we are able to see 75
   more patients a day" and "in the past year, 1200 senior citizens received
   assistance to maintain independence."
   _____
   _____
   _____

4. Are there other services that you are in need of? If so, what are they? _____
   _____

5. Please rate the value of the following benefits provided by our agency. Circle
   your rating with **1** being the lowest score to **5** being the highest score.
   LIST FUNCTIONS THAT RELATE TO YOUR AGENCY
   Example: quarterly newsletters

	LOW			**HIGH**	
a. quarterly newsletter	1	2	3	4	5
b.	1	2	3	4	5
c.	1	2	3	4	5

6. How effectively does our staff respond to your needs in the following areas?
   Please circle **1** for least effective through **5** for most effective.
   LIST AREAS THAT PERTAIN TO YOUR AGENCY

a.	1	2	3	4	5
b.	1	2	3	4	5
c.	1	2	3	4	5

7. Comments

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Appendix D: Listing of Functional Categories

Function Descriptions

State Government is responsible for many functions for the benefit of its citizens. These major functions may be categorized according to the primary mission or purpose of the state agency or institution. The proposed functional areas are listed below.

Economic Development and Transportation

Providing resources and infrastructure directed at developing the state's economy and promoting the marketing of Alabama products, services and workforce and regulating economic activities related to development.

Education and Culture

Promoting access to quality education from early childhood through post graduate studies including targeted support of fine arts, and math and science through schools, libraries, educational television; and enhancing of the quality of life by supporting diverse, rich artistic resources and preserving historic records, artifacts and places.

General Government

Providing administrative and support services for the legislative and executive branches of state government including financial management, personnel management, information technology, and enforcement of management and ethical standards and election laws.

Health and Human Services

Providing social services and health related services to all citizens.

Licenses and Regulation

Enforcing standards of practice for a wide variety of professions and businesses for the protection of all citizens.

Natural Resources and Environment

Preserving and conserving the natural resources and the environment of the state for its long-term future.

Protection of Persons and Property

Providing judicial services through courts and other legal entities, law enforcement and correctional services including information management and crime victim response, and planning, preparing and responding to natural or manmade disasters.

Appendix E: SMART Governing Office Staff

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